

**SEC. 633. AUTHORIZATION OF RETENTION BONUS FOR MEMBERS OF THE ARMED FORCES QUALIFIED IN A CRITICAL MILITARY SKILL.**

(a) BONUS AUTHORIZED- (1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

“Sec. 323. Special pay: retention incentives for members qualified in a critical military skill

“(a) RETENTION BONUS AUTHORIZED- An officer or enlisted member of the armed forces who is serving on active duty and is qualified in a designated critical military skill may be paid a retention bonus as provided in this section if--

“(1) in the case of an officer, the member executes a written agreement to remain on active duty for at least 1 year; or

“(2) in the case of an enlisted member, the member reenlists or voluntarily extends the member's enlistment for a period of at least 1 year.

“(b) DESIGNATION OF CRITICAL SKILLS- (1) A designated critical military skill referred to in subsection (a) is a military skill designated as critical by the Secretary of Defense, or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

“(2) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall notify Congress, in advance, of each military skill to be designated by the Secretary as critical for purposes of this section. The notice shall be submitted at least 90 days before any bonus with regard to that critical skill is offered under subsection (a) and shall include a discussion of the necessity for the bonus, the amount and method of payment of the bonus, and the retention results that the bonus is expected to achieve.

“(c) PAYMENT METHODS- A bonus under this section may be paid in a single lump sum or in periodic installments.

“(d) MAXIMUM BONUS AMOUNT- A member may enter into an agreement under this section, or reenlist or voluntarily extend the member's enlistment, more than once to receive a bonus under this section. However, a member may not receive a total of more than \$200,000 in payments under this section.

“(e) CERTAIN MEMBERS INELIGIBLE- A retention bonus may not be provided under subsection (a) to a member of the armed forces who--

`(1) has completed more than 25 years of active duty; or

`(2) will complete the member's twenty-fifth year of active duty before the end of the period of active duty for which the bonus is being offered.

`(f) RELATIONSHIP TO OTHER INCENTIVES- A retention bonus paid under this section is in addition to any other pay and allowances to which a member is entitled.

`(g) REPAYMENT OF BONUS- (1) If an officer who has entered into a written agreement under subsection (a) fails to complete the total period of active duty specified in the agreement, or an enlisted member who voluntarily or because of misconduct does not complete the term of enlistment for which a bonus was paid under this section, the Secretary of Defense, and the Secretary of Transportation with respect to members of the Coast Guard when it is not operating as a service in the Navy, may require the member to repay the United States, on a pro rata basis and to the extent that the Secretary determines conditions and circumstances warrant, all sums paid under this section.

`(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

`(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of a written agreement entered into under subsection (a) does not discharge the member from a debt arising under paragraph (2).

`(h) ANNUAL REPORT- Not later than February 15 of each year, the Secretary of Defense and the Secretary of Transportation shall submit to Congress a report--

`(1) analyzing the effect, during the preceding fiscal year, of the provision of bonuses under this section on the retention of members qualified in the critical military skills for which the bonuses were offered; and

`(2) describing the intentions of the Secretary regarding the continued use of the bonus authority during the current and next fiscal years.

`(i) TERMINATION OF BONUS AUTHORITY- No bonus may be paid under this section with respect to any reenlistment, or voluntary extension of an enlistment, in the armed forces entered into after December 31, 2001, and no agreement under this section may be entered into after that date.'

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

`323. Special pay: retention incentives for members qualified in a critical military

skill.'.

(b) EFFECTIVE DATE- Section 323 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2000.